

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

CAROL'S DAUGHTER HOLDINGS, LLC,

Plaintiff,

v.

No. 08-CV-8498 (GBD)(AJP)

CAROL'S EXPRESS LLC, CVS  
PHARMACY, INC., TURNS & TRENDS,  
INC., and DONYALE JERMAINE BUSH,

Defendants.

**SECOND DECLARATION OF LORI HARAM IN FURTHER SUPPORT OF  
CAROL'S DAUGHTER HOLDINGS, LLC'S ORDER TO SHOW CAUSE AS TO  
WHY A PRELIMINARY INJUNCTION SHOULD NOT ISSUE**

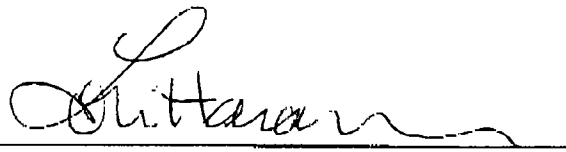
I, LORI HARAM, pursuant to 28 U.S.C. section 1746, declare as follows:

1. I am the General Manager of Plaintiff Carol's Daughter Holdings, LLC ("Carol's Daughter"). I make this Declaration based on my personal knowledge, and if called as a witness, I could and would testify competently hereto.
2. I previously submitted a Declaration dated October 8, 2008 ("First Declaration") in this matter in support of Carol's Daughter's proposed Order to Show Cause and application for a preliminary injunction. I understand that this Declaration will be offered in further support of the Order to Show Cause and Carol's Daughter's application for a preliminary injunction.
3. Carol's Daughter's initially retained the law firm of Jones Day to advise and represent it in connection with this matter.

4. On or about September 8, 2008, the Jones Day firm advised us that it might not be able to continue rendering professional services to Carol's Daughter in this matter because Jones Day had a preexisting relationship with one of the Defendants in this case.
5. Within a day, on September 9, 2008, we began corresponding with Morrison & Foerster LLP about the possibility of replacing Jones Day as counsel. We formally retained Morrison & Foerster LLP on September 18, 2008.
6. It is my understanding that, within approximately two weeks of being retained, on Friday, October 3, 2008, Morrison & Foerster LLP filed a complaint on behalf of Carol's Daughter against the Defendants in this action.
7. It is my understanding that less than three business days later, on Wednesday, October 8, 2008, Carol's Daughter filed papers for this preliminary injunction in this action.
8. Since the time this Court issued the Order to Show Cause (which was less than two weeks ago), yet another documented case of consumer confusion has occurred—another customer has written to Carol's Daughter to inquire into the relationship between Carol's Daughter and Defendant Carol's Express. A true and correct copy of the correspondence is attached hereto as Exhibit A. Previous examples of confused consumers writing to Carol's Daughter about Carol's Express products were attached as Exhibit 6 to my First Declaration.
9. I understand that the Defendants have claimed that they exhausted their supplies of their imitation products over 13 weeks ago.

10. However, only four weeks ago, on September 23, one of our store managers learned that a CVS in Maryland was carrying the imitation products.
11. In addition, on September 29, we learned that a CVS store on Gun Hill Road in the Bronx was carrying the imitation Carol's Express products.
12. Moreover, less than six weeks ago, on September 11, an employee of the CVS store at 125th Street in Harlem informed one of our employees that CVS was expecting additional shipments of Carol's Express products for the holidays.
13. As indicated in Paragraph 15 of my previous declaration, the Holiday shopping period, which begins in a little over a week, is especially critical for Carol's Daughter.
14. In 2007, the Holiday shopping period accounted for approximately 40% of Carol's Daughter's annual sales, and in view of the current economic climate, the Holiday revenues are expected to be even more important this year to Carol's Daughter. The industry average is that at least 50% of revenues are earned during the Holiday shopping period, and Carol's Daughter expects to meet the 50% mark this year.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that I executed this declaration on October 21, 2008 in New York, New York.

  
Lori Haram

# **EXHIBIT A**

-----Original Message-----

From: Nakia Brown [mailto:[REDACTED]]

Posted At: Monday, October 13, 2008 1:52 PM

Posted To: PR

Conversation: Customer feedback - Public Relation Inquiries

Subject: Customer feedback - Public Relation Inquiries

Customer feedback

First Name: Nakia

Last Name: Brown

email: [REDACTED]

topic: Public Relation Inquiries

Message:

There is a new natural line out called Carols Express.....is this in any way related to Carol's Daughter?